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ILLINOIS COMMERCE COMMISSION
STATE OF ILLINOIS

ORIGINAL

ILLINOIS COMMERCE COMMISSION

Dynegy Energy Services, Inc.)
Application for Certificate of)
Service Authority under Section)
16-115 of the Public Utilities Act)

Docket No. 00-0008

CHIEF CLERK'S OFFICE

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ILLINOIS
COMMERCE COMMISSION

APPLICATION

Dynegy Energy Services, Inc. ("Applicant"), hereby requests that the Illinois Commerce Commission ("Commission") grant it a certificate of service authority pursuant to Section 16-115 of the Public Utilities Act ("Act"). In support of its application, Applicant states as follows:

General [451.20 and 451.30]

1. Applicant's name and street address: [451.20(e)(1)]

Dynegy Energy Services, Inc.
1000 Louisiana Street, Suite 5800
Houston, TX 77002

2. Related information:
Type of business entity: [corporation, etc]: **For Profit Corporation**
Jurisdiction in which and under whose laws business entity was created: **State of Delaware**
Other names under which Applicant does business (D/B/A): **Not Applicable.**
Federal Employer Identification Number: [451.20(e)(2)]: 76-0405594
Registered Agent in Illinois:

CT Corooration System
208 S. LaSalle Street
Chicago, IL 60604

3. Contact Persons for the following:
- a) issues related to processing this application
 - b) issues related to retail customers, including complaint resolution
 - c) technical issues, including scheduling of generation, transmission, and distribution, and issues arising from relationships with other providers of electric services.

Identification of each contact person's name, title, mailing address, telephone number, facsimile number, and e-mail address.

Please refer to **Attachment A** for detailed information on the above.

4. Applicant is licensed to do business in the State of Illinois, as demonstrated in **Attachment B. [451.20(f)(1)]**
5. Applicant's employees that will be installing, operating, and maintaining generation, transmission, or distribution facilities within the State of Illinois, and any entity with which the Applicant has contracted to perform those functions have the requisite knowledge, skills, and competence to perform those functions in a safe and responsible manner in order to provide safe and reliable service in accordance with the criteria stated in Section 16-128(a) of the Act [220 ILCS 5/16-128(a)], as demonstrated in Attachment [451.20(f)(2)] [if applicable]

Presently, this section is not applicable to Applicant. Applicant does not own generation, transmission, or distribution facilities within the State of Illinois. In the event that it does become relevant in the future, Applicant will comply with the requirements of 451.20(f)(2) by providing supporting documentation as to the requisite knowledge, skills and competence of any of its employees performing the above-referenced functions within the State of Illinois.

6. Description of Applicant's business. [451.30(c)(1)]

Dynegy Energy Services was formed in 1999 as a national energy services provider directly servicing the mid-market sector of commercial and industrial customers as well as servicing the small business and residential markets through a series of strategic alliances. Applicant is affiliated with a leading provider of energy services and products. Applicant's business activities include the sale of natural gas and electricity and related services to both wholesale and end-use customers, with a particular emphasis on the wholesale and retail commercial and industrial customer markets.

7. Geographic area in which Applicant seeks to be authorized to offer service (if less than entire State, provide detailed description) and the types of services it intends to offer. [451.30(c)]

Applicant intends to sell electricity and power to eligible customers throughout the State of Illinois.

8. Description of the characteristics of customer group(s) Applicant proposes to serve. [451.30(c)(2)]

At this time, Applicant intends to provide retail electric service to eligible nonresidential customers, both industrial and commercial, with a maximum electrical demand of one megawatt or more.

9. Proof of notification to each utility of Applicant's intent to serve in the utility's service area is provided in **Attachment C [451.30(c)(3)]**.

10. Applicant certifies that it:
 - a) will comply with all applicable Federal, State, regional and industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interconnected electric transmission system including the Open Access Same-time Information System (OASIS) mandated by 18 CFR 37 and the rules and operating guidelines and procedures of the regional or national electric reliability council(s) or organization(s) and their successors for any portion of the state in which the applicant is certified to provide retail electric service); [451.20(a)]
 - b) will provide service only to retail customers that are eligible to take delivery services; [451.20(b)]
 - c) will comply with informational and reporting requirements that the Commission may by rule establish; [451.20(c)]
 - d) will comply with informational and reporting requirements that the Commission may establish regarding the provision of information required by Section 16-112 of the Act; [451.20(d)]
 - e) complies with all other applicable laws and regulations and Commission rules and orders; [451.20(g)] and
 - f) complies with all terms and conditions required by Sections 115A(a), (b), and(f), 16-119,16-123,16-125(b) and(c), 16-127, and 16-128(a) of the Act, to the extent those Sections have application to the services being offered by the alternative retail electric supplies. [451.30(d)(2)]
11. Applicant agrees to submit good faith schedules of transmission and energy in accordance with applicable tariffs. [451.20(a)]
12. Applicant agrees to adopt and follow rules and procedures ensuring that authorizations received from customers, customer billing records, and requests for delivery service transmitted to utilities are retained for a period of not less than two calendar years after the calendar year in which they were created. [451.40(a)]
13. Applicant agrees to adopt and follow rules and procedures to preserve the confidentiality of its customer's data. [451.40(b)]
14. Whether Applicant currently has authority from the Commission to be an ARES, and if so, the Docket Number under which such authority was granted. **[(If Applicant currently has a Certificate of Service Authority) Applicant requests that such current authority be consolidated with any authority granted pursuant to this application, under the docket number of this application.] Not Applicable.**

Reciprocity [45 1.20(e)]

15. The names and addresses of all of Applicant's affiliated companies involved in electric retail sales or purchases in the North American continent are as follows: [45 1.20(e)(3)]

The Applicant is affiliated with Dynegy Power Marketing Inc. (address: 1000 Louisiana Street, Suite 5800, Houston, TX 77002) which is certified to supply electrical service at retail in California and Nicor Energy, L.L.C. (address: 1001 Warrenville Road, Suite 550, Lisle, IL 60532-4306) which has been approved by this Commission to be an ARES. In addition, upon the completion of the acquisition of control of Illinova Corporation by Dynegy, Inc., Illinois Power Company, Illinova Energy Partners, Inc., and Illinova Power Marketing will become affiliated with the Applicant. This transaction is expected to be completed in early 2000. Please refer to Attachment D for information on Applicant's affiliates.

16. Applicant certifies that it complies with Section 16-115(d)(5) of the Act [220 ILCS 5/16-115(d)(5)], and that it will remain in compliance with such requirements and will annually certify such compliance to the Commission within 30 days after the anniversary date of its certification. A demonstration that Applicant is in compliance with Section 16-115(d)(5) of the Act is set forth in Attachment __. [45 1.20(e)]

As noted in question 15, Applicant will have an affiliate relationship with Illinois Power ("IP"). IP is owner and operator of electricity generation and distribution assets in Illinois. Illinois has open access legislation that meets the requirements under 16-115(d)(5).

Applicant certifies that it will remain in compliance with such requirements and will annually certify that such compliance to the Commission within 30 days after the anniversary date of its certification.

Financial Qualifications [45 1.110]

17. Applicant meets the financial qualifications set forth in 83 Ill. Adm. Code 451.110, as demonstrated in **Attachment E**. Attached is (i) a copy of Applicant's License Bond, required by Section 451.110(a), (ii) Applicant's Parent Guaranty, which meets the criteria in Section 45 1.110(c), and (iii) Dynegy Inc.'s credit ratings and 1998 annual report.

Technical Qualifications [45 1.120(b)]

18. Dynegy Energy Services or its affiliates has been operating a 24-hour, 7 days a week power scheduling center since 1995. The scheduling facility is located at Applicant's headquarters, Houston, Texas. From this center real-time transactions are coordinated. This facility manages scheduling changes, reserve implementation, curtailment orders and interruption plan implementation. It has participated in, or is currently operating in de-regulated electric markets in California.

Applicant has staff that meets the requirements of sales and operational experience requirements of Section **45 1.120(b)**. See **Attachment F**. Specially, Mr. Allen has more than 16 years of experience in the electric industry.

While Applicant does not own, control or operate electric generation, transmission or distribution facilities used to serve customers in Illinois, affiliates of the Applicant own or control over 9000 MWs of generation and includes operating subsidiaries that have substantial experience in the operations of both gas and coal fired facilities.

Managerial Qualifications [451.130 and 451.1401

19. Applicant meets the managerial qualifications set forth in 83 Ill. Adm. Code 451.130, as demonstrated in **Attachment F**. Attachment F includes an exhibit containing a corporate organizational chart and indicating the positions of the persons or agents who are being used to meet the requirements of 83 Ill. Adm. Code 45 1.130.
20. Applicant is not relying on one or more agents or contractors to meet the requirements of 83 Ill. Adm. Code 45 1.120 and 45 1.130. [(If Applicant is relying on such agents or contractors) Each agent and contractor on whom the Applicant relies to meet these requirements is disclosed on Attachment __. [451.140(a)] Applicant certifies that each such agent or contractor will comply with all the sections of Part 45 1 that are applicable to the functions to be performed by the respective agent or contractor. [451.140(b)]]]. **Not Applicable.**

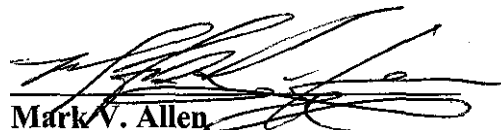
Financial Qualifications for Single Billing Service [451.510]

21. Applicant intends to provide single billing services. A demonstration of creditworthiness as required in 83 Ill. Adm. Code 451.510 is set forth in **Attachment G**.

WHEREFORE, Applicant requests that the Commission grant its application for service authority to serve retail customers with maximum electrical demands of one megawatt or more throughout the State of Illinois.

Respectfully submitted,

DYNEGY ENERGY SERVICES, INC.



Mark V. Allen
Vice President, Dynegy Energy Services, Inc.
1000 Louisiana Street, Suite 5800
Houston, TX 77002
Phone:(713)767-8074

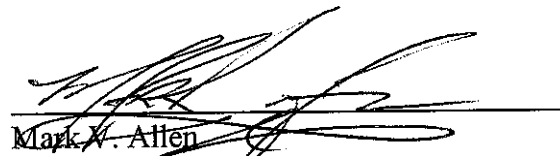
VERIFICATION

STATE OF TEXAS)


) ss

COUNTY OF HARRIS)

Mr. Mark V. Allen, being first duly sworn, deposes and says that he is Vice President of Dynegy Energy Services, Inc.; that he has read the foregoing Application of Dynegy Energy Services, Inc., and all of the attachments accompanying and referred to within the Application; and that the statements contained in the Application and the attachments are true, correct and complete to the best of his knowledge, information and belief.


Mark V. Allen
Vice President - Direct Sales

Subscribed and sworn to before me
this 4th day of January, 2000.


Katherine D. Fisher
Notary Public

